




NEW JERSEY HOUSING AND
MORTGAGE FINANCE AGENCY

Section 811 Project Rental Assistance Program

Section 811 Project Rental Assistance Program




What is the Section 811 PRA program?

- Authorized under Frank Melville Supportive Housing Act of 2010
- Provides rental assistance to extremely low income special needs individuals or households

In HMFA/DHS's Case


- Assist the State of NJ in their Olmstead settlement obligations by providing permanent supportive housing to individuals leaving developmental centers, state psychiatric hospitals as well as those at risk of institutionalization

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How the 811 PRA Subsidies Work:

- PRA subsidies are assigned to a specific unit(s) and remains with the housing unit
- Total of 206 PRA subsidies available worth \$5.1 Million for the initial 5 years

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Subsidy Breakdowns Include:

- 110 one-bedroom affordable at 34% of AMI
- 46 two-bedrooms affordable at 34% AMI
- 50 two-bedrooms affordable at 50% AMI**

Additional Tenant Based Rental Assistance

- 40 DCA State Rental Assistance (SRAP)
- 63 Tenant Based DHS Subsidies
- Both these subsidies are tenant based

***To be used for existing Multifamily units*


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HMFA's Role

- In partnership with DHS administers the Section 811 PRA Program

NJDHS' Role

- Coordinates timely referral of individuals/ households to Section 811 PRA awarded projects
- Provides voluntary services & supports to Section 811 PRA tenants in the projects


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Ineligible Projects

- Projects designated for individuals 62 & older
- Projects with existing project based vouchers with more than 25% set-aside Special Needs units
- Projects with less than five (5) units

Eligible Projects

- 4% LIHTC & FRM Projects that opted into Sect. 811 PRA
- Existing Tax Credit projects and Tax Credit projects in future allocation cycles
- Bond financed Agency Tax Credit projects
- Projects that did not opt into Section 811 PRA must complete Section 811 PRA application; accepted on a rolling basis


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Owners who participate in Section 811 PRA are required to complete:


- HMFA & Owner Agreement to enter into Section 811 PRA Contract
- PRA Rental Assistance Contract
- Use Agreement

Tenant Referral

- Owners will notify HMFA of availability of units
- HMFA will notify DHS Office of Housing who will refer tenant
- If tenant selects unit, DHS forwards application package to HMFA who verifies and determines applicants' eligibility; HMFA then forwards application to project Owner


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- Owner determines applicant's eligibility based on Owner's tenant selection plan
- Owner completes tenant certifications & recertification & transmits electronically
- HMFA enters income data to HUD TRACS
- Owner must provide justification in writing to HMFA if tenant found ineligible

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Owner's Responsibilities


- Verify tenant's income through EIV
- Verify information related to SSI
- Compute PRA payments
- Conduct background checks-if required
- Conduct annual income re-certification
- Submit tenant's info electronically to HMFA with TRACS standards

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Criteria for Section 811 PRA Selection		Points
Projects with more than 25% of the units set-aside for persons with disabilities will be excluded from consideration		Excluded
Projects with age-restricted units to those over 62 will be excluded from consideration		Excluded
Projects with less than 5 units will be excluded from consideration		Excluded


Selection of One-Bedroom 811 PRA Units		Selection of Two-Bedroom 811 PRA Units*	
	Points		Points
Geographic locations reflecting preferences of target population	4	Geographic locations reflecting preferences of target population	4
Accessibility of the units	3	Accessibility of the units	3
Unit mix reflecting need of target population	3	Unit mix reflecting need of target population	3
Suitability of project site	2	Suitability of project site	2
Access to transportation, employment opportunities and other community integration opportunities	2	Access to transportation, employment opportunities and other community integration opportunities	2
Amenities offered in the project	1	Amenities offered in the project	1

NOTE: Projects must have a minimum of 12 points to be considered eligible for Section 811 PRA subsidies
* Fifty (50) of these units are set-aside for existing LHTC and Bond financed Multifamily units

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Time Frame

- Application is received on a rolling basis
- Sect. 811 PRA award notice not given to developers until HUD Coop. Agreement is executed
- HMFA accepts application now to ensure availability of units at the time of HUD Coop. Agreement execution


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Form of Lease

- Owners must use HUD Model 811 PRA Lease Form & required addenda
- Lease is for a term of one year
- Any modification of lease must be approved by HMFA and in accordance with HUD requirements


Waiting List

- Existing projects must update their tenant selection plan to include the target population

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Unit Inspection by HMFA

- Based on HUD's Uniform Physical Conditions Standards (UCPS)
- After initial inspections, first UCPS inspection within 3 years after the signing of Rental Assistance Contract (RAC)
- Following HMFA inspection, tenant inspects unit
- Owner keeps the HMFA inspection report as an attachment to lease


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Foreclosure & Transfers of Properties

- In the event of foreclosure or property transfers, RAC will transfer to new Owner & payment continues


Term of 811 PRA

- Term of RAC 20 Years
- Term of initial Section 811 PRA term-5 Year
- Subsequent renewal subject to HUD appropriations
- Use Agreement 30 Years

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Payments under RAC

- Owners submit vouchers to HMFA by the 10th day of the month preceding the month of payment
- HMFA reviews vouchers for accuracy and adjusts rent when needed
- HMFA then submits to HUD monthly tenant and voucher data electronically to TRACS
- Based on TRACS submission, HUD calculates rental subsidy and wires payment to grantee
- HMFA makes payments to Owners by first day of every month

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Vacancies

- Vacancy payments not to exceed 80% of contract rent for 60 days
- No vacancy payment if unit is vacant more than 60 days


Rent Increases

- Rent adjustments will be considered by HMFA based upon Owner's request

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811 PRA Owner Compliance

- Fair Housing & Civil Rights Laws
- Accessibility Requirements
- Davis Bacon Labor Standards
- Phase I Environmental Report
- Lead Based Paint

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Support Services

- Tenants participation is voluntary and can't be required
- Voluntary services supports of provider of tenant's choice supported by DHS

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DHS Tenant Based Rental Voucher

- 63 TBRV that travel from unit to unit with tenant
- To be managed by Supportive Housing Connection Program

DCA State Tenant Based Rental Assistance

- 40 SRAP travel from unit to unit with tenant
- Will be managed by DCA Div. of Housing

THANK YOU